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CSR and Corporate Sustainability: The Mediating Roles of Financial Performance and Legitimacy

Linda Yuliani Hutadjulu^{1*}

¹lindahutajulu@gmail.com

Universitas Cenderawasih

*Corresponding Author: Linda Yuliani Hutadjulu

Email: lindahutajulu@gmail.com

ABSTRACT

Corporate social responsibility (CSR) has evolved from a philanthropic obligation into a strategic instrument through which firms pursue long-term sustainability. Despite growing scholarly interest, the mechanisms connecting CSR to sustainability outcomes remain insufficiently examined, particularly in developing economy contexts. This study investigates how CSR contributes to corporate sustainability through two parallel mediating pathways, financial performance and social legitimacy, drawing on legitimacy theory, stakeholder theory, and positive accounting theory as an integrated analytical framework. A systematic literature review of Scopus-indexed publications from 2021 to 2025 was conducted, with findings synthesised through classification, thematic analysis, and critical evaluation. The results confirm that CSR positively influences corporate sustainability, financial performance, and institutional legitimacy, supporting all three hypotheses proposed. These effects are conditional on implementation quality and the institutional environment in which firms operate. In emerging markets, including Indonesia, firms frequently adopt CSR in response to regulatory pressure rather than genuine strategic commitment, which constrains the financial and legitimacy gains that substantive engagement would otherwise generate. This study extends prior research by showing that financial performance and legitimacy function as simultaneous and mutually reinforcing mediators rather than independent channels, and it challenges the assumption that a positive CSR-sustainability relationship is universally applicable. The findings offer practical guidance for firms and policymakers in developing economies navigating rapidly expanding sustainable finance regulations.

Keywords: *Corporate Social Responsibility, Corporate Sustainability, ESG Disclosure, Legitimacy, Stakeholder Theory*

INTRODUCTION

Corporate social responsibility (CSR) has become a central topic in management research, particularly as firms face growing pressure from investors, regulators, and the public to operate in ways that go beyond profit generation (Amah, 2022; Fatima & Elbanna, 2023). Over the past two decades, the concept has evolved considerably; Carroll (2021) traces how CSR shifted from being treated primarily as a philanthropic obligation to becoming a core element of corporate strategy, shaped by changing societal expectations and regulatory demands. This evolution has accelerated with the adoption of Environmental, Social, and Governance (ESG) frameworks, which now serve as the dominant instrument through which investors and policymakers assess non-financial corporate conduct (Gillan et al., 2021). Understanding how CSR connects to long-term corporate sustainability has therefore become a pressing research agenda, with implications for both theory and managerial practice.

The theoretical grounding for CSR behaviour draws substantially from two foundational perspectives. Legitimacy theory holds that organisations operate within an implicit social contract and must continually align their behaviour with prevailing societal values and norms to secure continued public support (Suchman, 1995). When a firm's conduct is perceived as inconsistent with these social expectations, its legitimacy is undermined, which can threaten its operational continuity and stakeholder relationships (Destri et al., 2024; Olateju et al., 2021). Stakeholder theory complements this by arguing that corporate success depends on how well a firm manages the expectations of all parties that affect or are affected by its activities, not only shareholders (Freeman, 2015). Both perspectives treat CSR as a rational strategic response to the social environment rather than a purely ethical gesture, and together they form a robust basis for analysing why firms invest in CSR and how such investments affect their sustainability outcomes.

Prior empirical studies have examined whether CSR engagement translates into measurable firm-level benefits. Gillan et al. (2021) reviewed a substantial body of financial economics research on ESG and CSR and found that firms with stronger social and governance practices generally experience lower capital costs, improved investor trust, and more stable long-term performance. These benefits appear especially pronounced during periods of market stress. Broadstock et al. (2021) found that Chinese firms with higher ESG ratings were considerably more resilient during the COVID-19 financial crisis than their lower-rated peers, suggesting that responsible business practices serve as a buffer against systemic shocks. The implication drawn from this literature is that CSR is not simply a public relations investment but a substantive driver of firm resilience and long-term value.

Research from emerging markets further supports this argument, though with important qualifications. Duque-Grisales and Aguilera-Caracuel (2021) examined multinationals across Latin America and found a negative relationship between ESG

scores and financial performance, which they attributed partly to weak institutional environments and inconsistent ESG implementation. These findings highlight that the CSR-performance relationship is not automatic; the quality of institutional settings and the depth of CSR execution both matter significantly. In the Indonesian banking context, Dalimunthe et al. (2025) found that governance quality, when linked to green banking disclosure, positively affects profitability, suggesting that sustainability-oriented governance can generate real financial gains even within developing economy settings.

Despite this growing body of evidence, findings across the literature remain inconsistent. CSR practices vary widely in their scope, quality, and connection to firms' core operations, and not all CSR activity produces the same outcomes. Some studies find positive effects on financial performance, others find no effect or conditional effects, and a few report negative outcomes, particularly in contexts where CSR is compliance-driven rather than genuinely embedded in business strategy. The reasons behind this variation are not yet well understood. Research tends to examine CSR through a single theoretical lens, which limits the analytical range, and most studies focus on large listed firms in developed markets, leaving developing country contexts underexplored.

Several specific research gaps can be identified from reviewing the existing literature. First, studies that apply legitimacy theory, stakeholder theory, and positive accounting theory together within a single analytical framework are rare; most work applies one theory at a time, which produces a partial picture of why and how CSR affects sustainability. Second, the mediating pathways that connect CSR to sustainability outcomes, particularly the roles of financial performance and social legitimacy as intermediate mechanisms, have not received adequate attention. Third, evidence from Indonesia is limited despite the country's growing regulatory focus on sustainable finance and its unique institutional characteristics, which differ considerably from those assumed in most Western-based studies (Setiawati et al., 2025).

This study aims to address these gaps by analysing the relationship between CSR and corporate sustainability through a systematic review of international literature published between 2021 and 2025. The study examines how CSR contributes to sustainability both directly and through mediated pathways involving financial performance and institutional legitimacy. It draws on legitimacy theory, stakeholder theory, and positive accounting theory as a combined analytical framework, which allows for a richer and more realistic account of CSR behaviour than single-theory approaches permit.

Three contributions define the scope of this study. Theoretically, it integrates three complementary frameworks into one coherent analytical model, addressing a gap identified repeatedly in the CSR literature. Methodologically, it bases its analysis on Scopus-indexed publications from 2021 to 2025, ensuring the review reflects current empirical developments rather than relying on older or

geographically narrow evidence bases. Contextually, it offers findings directly relevant to Indonesia and comparable emerging economies, where the conditions shaping CSR effectiveness differ from those in developed markets and where scholarly attention remains insufficient relative to the growing policy interest in corporate sustainability.

LITERATURE REVIEW

Legitimacy Theory and CSR

Legitimacy theory remains one of the most applied frameworks in CSR research. Suchman (1995) defines legitimacy as a generalised perception that the actions of an organisation are desirable, proper, or appropriate within a socially constructed system of norms and values. Under this view, firms engage in CSR not purely out of ethical concern but because maintaining public acceptance is a prerequisite for operational survival. When a firm's conduct deviates from societal expectations, its social licence to operate is put at risk, prompting corrective actions such as increased transparency, community investment, or environmental commitments (Dumbrell et al., 2021).

Recent scholarship has reinforced the continued relevance of this framework. Christensen et al. (2021) demonstrate that mandatory CSR and sustainability reporting standards effectively compel firms to align their disclosed practices with stakeholder expectations, supporting the core argument that external social pressure shapes corporate behaviour. Importantly, Forcadell et al. (2023) argued that legitimacy is not a static condition but one that must be actively managed; firms that engage in CSR superficially, without substantive implementation, risk losing credibility with stakeholders over time. This distinction between symbolic and substantive CSR is central to understanding variation in sustainability outcomes across firms. Based on this reasoning, the following hypothesis is proposed:

H1: CSR engagement positively influences corporate legitimacy.

Stakeholder Theory and CSR

Stakeholder theory argues that firms are accountable to a wide range of parties whose interests must be considered in managerial decision-making (Freeman, 2015). This framework extends the conventional shareholder primacy model by recognising that employees, customers, suppliers, local communities, and regulators all have legitimate claims on the firm and that managing these relationships well is essential for sustainable performance. CSR provides a practical mechanism through which firms can demonstrate responsiveness to these diverse stakeholder demands.

Gillan et al. (2021) confirm that ESG-aligned firms tend to attract a more stable and loyal investor base, face lower regulatory scrutiny, and build stronger reputational capital over time, all of which are consistent with the predictions of

stakeholder theory. The relationship between CSR and stakeholder value is also evident in how firms respond to crises. Broadstock et al. (2021) show that firms with stronger ESG profiles maintained better stock performance during the COVID-19 period, which they attribute partly to the trust and resilience built through sustained stakeholder engagement. These findings suggest that CSR functions as a relational investment, one that pays off most visibly when external conditions deteriorate. This leads to the following hypothesis:

H2: CSR engagement positively influences corporate financial performance.

CSR and Corporate Sustainability

Corporate sustainability refers to a firm's capacity to maintain its operations, reputation, and value creation over the long term while balancing economic, social, and environmental responsibilities (Carroll, 2021). CSR is widely regarded as the primary organisational mechanism through which firms work toward this balance. When implemented substantively, CSR reduces exposure to regulatory, reputational, and environmental risks, strengthens relationships with key stakeholders, and contributes to more efficient resource management.

Evidence from emerging markets adds nuance to this picture. Duque-Grisales and Aguilera-Caracuel (2021) found that ESG performance had a negative relationship with financial performance among Latin American multinationals, a result they link to institutional weaknesses and fragmented CSR execution. Conversely, Dalimunthe et al. (2025) found that governance-aligned sustainability disclosure in Indonesian banks positively influenced profitability, indicating that when CSR is embedded in governance structures rather than treated as a standalone activity, it can generate concrete financial benefits even in developing market contexts. These contrasting findings underscore the importance of institutional context and implementation quality in shaping the CSR-sustainability relationship:

H3: CSR engagement positively influences corporate sustainability.

Positive Accounting Theory and CSR Behaviour

Positive accounting theory offers a different angle on why firms engage in CSR. Rather than treating CSR as an ethical obligation or a legitimacy-seeking behaviour, this perspective views it as a rational response to economic incentives, including the desire to manage political costs, reduce regulatory pressure, and minimise agency conflicts between managers and shareholders (Watts & Zimmerman, 1978). Firms with high public visibility are more likely to adopt visible CSR practices to reduce the risk of government intervention or adverse public attention.

From this perspective, CSR decisions are not primarily driven by moral concern but by managerial self-interest and institutional pressures. This raises important questions about the authenticity of CSR practices and their actual

contribution to sustainability. Christensen et al. (2021) note that mandatory reporting requirements can address some of these concerns by introducing external verification and accountability structures, reducing the gap between what firms disclose and what they actually do. Understanding CSR through a positive accounting lens therefore helps explain why CSR practices vary so widely across firms and why their sustainability effects are so inconsistent across institutional settings.

RESEARCH METHODOLOGY

This study adopts a qualitative approach through a systematic literature review, examining the role of Corporate Social Responsibility in supporting corporate sustainability (Creswell & Creswell, 2023). The systematic literature review method was selected because the primary objective of this study is to synthesise, analyse, and critically evaluate existing empirical and conceptual evidence rather than to collect primary data. This approach is consistent with the nature of the research questions, which seek to understand mechanisms and theoretical relationships across multiple contexts rather than test hypotheses through original datasets.

The literature search was conducted using the Scopus database, which was chosen for its broad coverage of peer-reviewed journals across business, management, and accounting disciplines. Search terms used included combinations of “corporate social responsibility,” “CSR,” “ESG,” “corporate sustainability,” “legitimacy theory,” “stakeholder theory,” and “financial performance.” The search was restricted to articles published between 2021 and 2025 to ensure the analysis reflects current empirical developments and recent shifts in CSR and ESG practice. Only articles published in English and categorised under business, management, accounting, or economics subject areas were included.

Articles were screened through a two-stage process. In the first stage, titles and abstracts were reviewed to assess topical relevance to the research themes of this study, namely CSR, corporate sustainability, legitimacy, stakeholder relations, and financial performance. In the second stage, full texts were read to evaluate the quality of argumentation, the theoretical framework applied, and the empirical rigor of each study. Articles that lacked a clear theoretical grounding or that did not address at least one of the core themes were excluded. Foundational theoretical works published prior to 2021, specifically those related to legitimacy theory, stakeholder theory, and positive accounting theory, were retained as theoretical anchors given their established and widely recognised role in the literature.

The analysis followed a three-step process of classification, synthesis, and critical evaluation. First, selected literature was classified according to the primary theoretical perspective applied and the key variables examined. Second, findings across studies were synthesised to identify patterns, consistencies, and

contradictions in the evidence base. Third, a critical evaluation was conducted to assess the conditions under which CSR produces positive sustainability outcomes, with particular attention to the moderating roles of institutional context, implementation quality, and disclosure transparency. This integrative approach allows the study to move beyond a descriptive summary of existing research and toward a conceptually grounded analysis of how and why CSR affects corporate sustainability across different settings.

RESULT AND DISCUSSION

CSR as a Strategic Determinant of Corporate Sustainability

The systematic review of literature conducted in this study reveals that CSR functions as a substantive determinant of corporate sustainability when it is embedded within governance structures and implemented with material relevance to the firm's core business activities. Across the studies examined, firms that treat CSR as an integrated strategic function rather than a peripheral compliance obligation consistently demonstrate stronger long-term performance on both financial and non-financial indicators. This finding directly answers the first research objective of this study, which is to examine how CSR contributes to corporate sustainability outcomes.

The evidence reviewed here confirms that CSR supports sustainability through at least three distinct channels. First, it reduces exposure to regulatory and reputational risk by positioning firms as responsible actors in the eyes of governments, investors, and the public. Second, it strengthens stakeholder relationships that are essential for long-term operational continuity, including access to capital, skilled labour, and favourable market conditions. Third, it builds organisational resilience that enables firms to absorb external shocks more effectively than firms with weaker social and governance records. These three channels collectively explain why firms with stronger CSR profiles tend to outperform their peers not only in stable market conditions but particularly during periods of systemic disruption (Broadstock et al., 2021).

On the basis of the reviewed evidence, Hypothesis 3, which proposed that CSR engagement positively influences corporate sustainability, is supported. This conclusion holds across multiple geographic and institutional contexts, though the magnitude of the effect varies considerably depending on the quality of CSR implementation, the institutional environment, and the depth of stakeholder engagement. The support for H3 is strongest in studies conducted in markets where disclosure frameworks are more developed and where investor pressure to perform on ESG metrics is more pronounced.

Financial Performance as a Mediating Pathway

The review findings indicate that financial performance serves as a meaningful intermediate mechanism connecting CSR investment to long-term sustainability outcomes. This addresses the second research objective, which seeks to understand the mediating pathways through which CSR affects sustainability. When CSR activities reduce the cost of capital, improve investor confidence, and generate loyalty among customers and business partners, they produce financial gains that in turn provide the firm with the resources necessary to sustain and deepen its sustainability commitments over time.

Gillan et al. (2021) document that firms with stronger ESG and CSR profiles consistently experience lower financing costs and more stable investor bases, which are direct financial benefits with compounding long-term effects on organisational viability. Bolton and Kacperczyk (2021) further demonstrate that capital markets are increasingly pricing environmental conduct into equity returns, meaning that firms with weaker environmental records face a growing cost-of-capital disadvantage relative to their more responsible peers. This market-level pricing of ESG risk confirms that the financial consequences of CSR are real and growing in magnitude, not merely theoretical.

However, the mediated relationship between CSR, financial performance, and sustainability is not unconditional. Duque-Grisales and Aguilera-Caracuel (2021) found a negative relationship between ESG scores and financial performance among Latin American multinationals, a result attributable to fragmented CSR implementation, weak institutional monitoring, and the absence of material alignment between ESG activities and core business operations. This finding signals that CSR generates financial benefits only when it is strategically coherent and credibly executed. Firms that adopt CSR practices primarily for optics rather than genuine value creation are unlikely to translate those practices into financial gains, and therefore unlikely to sustain them over time.

On the basis of this evidence, Hypothesis 2, which proposed that CSR engagement positively influences corporate financial performance, is supported under the condition that implementation quality and institutional context are favourable. The mediation pathway from CSR through financial performance to sustainability is confirmed, though it is moderated by the degree to which CSR practices are material, credible, and embedded in the firm's operational and governance architecture.

Legitimacy as a Parallel Mediating Mechanism

Alongside financial performance, social legitimacy emerges from the reviewed literature as a second and parallel mediating mechanism through which CSR contributes to corporate sustainability. Firms that successfully use CSR to demonstrate alignment with prevailing societal norms and stakeholder expectations accumulate legitimacy capital, which in turn supports their continued access to

markets, licences, and public support. This finding addresses the theoretical integration objective of the study, confirming that legitimacy theory remains empirically relevant and analytically useful for understanding CSR behaviour in contemporary business environments.

Lu and Wang (2021) provide cross-country evidence that governance quality and legal context shape how CSR disclosure connects to environmental and social performance outcomes, with stronger institutional environments producing more consistent links between what firms report and what they actually do. This finding is important because it shows that legitimacy is not achieved through disclosure alone; it requires a credible correspondence between reported and actual conduct. When firms engage in CSR primarily for impression management without substantive backing, stakeholders eventually recognise the gap, and the legitimacy benefit is lost or reversed. Aluchna et al. (2023) demonstrate that mandatory non-financial reporting frameworks, when properly designed, can close this gap by introducing external accountability that pushes firms from symbolic toward substantive CSR, resulting in measurable improvements in actual ESG performance rather than merely disclosed performance.

Christensen et al. (2021) extend this argument by showing that the economic consequences of CSR reporting depend heavily on the materiality standards applied, the enforcement capacity of regulators, and the degree to which stakeholders can verify reported information. When these conditions are in place, CSR reporting strengthens legitimacy genuinely. When they are absent, firms can maintain the appearance of legitimacy while the underlying sustainability trajectory remains weak. Based on the weight of this evidence, Hypothesis 1, which proposed that CSR engagement positively influences corporate legitimacy, is supported, with the important qualification that legitimacy gains are durable only when CSR is substantively rather than symbolically practised.

Positive Accounting Theory and the Limits of CSR Motivation

The application of positive accounting theory to the findings of this review introduces an important critical dimension that the legitimacy and stakeholder perspectives alone do not capture. Rather than assuming that firms engage in CSR out of ethical commitment or genuine concern for stakeholder welfare, positive accounting theory treats CSR as a rational managerial response to economic incentives, including the reduction of political costs, the management of regulatory pressure, and the mitigation of agency conflicts between managers and shareholders (Watts & Zimmerman, 1978).

This perspective helps explain several patterns observed in the reviewed literature that legitimacy and stakeholder theory cannot fully account for. Bolton and Kacperczyk (2021) show that capital markets increasingly price carbon risk into equity returns, creating a direct financial incentive for firms to reduce environmental exposure. Under positive accounting theory, this market signal

would be expected to drive CSR adoption even among firms with no intrinsic ethical motivation, precisely because the cost of not engaging with ESG concerns is becoming financially material. This prediction is broadly consistent with what the reviewed literature observes, as CSR adoption rates have risen sharply in recent years across industries and jurisdictions, including in contexts where regulatory pressure and investor scrutiny have intensified simultaneously.

At the same time, positive accounting theory draws attention to the risk of opportunistic CSR behaviour. Firms facing high public scrutiny have incentives to increase CSR disclosure in ways that manage political and regulatory costs without necessarily improving underlying conduct. This strategic use of CSR disclosure, sometimes referred to as greenwashing, represents a direct threat to the legitimacy mechanism identified in the previous section. The reviewed literature confirms that this risk is real and that the gap between disclosed and actual CSR performance remains a significant problem, particularly in markets where verification and enforcement mechanisms are weak. Integrating positive accounting theory into the analytical framework therefore strengthens the overall explanatory power of the study by accounting for both the authentic and the strategic dimensions of CSR behaviour.

The Indonesian Context and the Developing Economy Challenge

The findings of this study carry particular relevance for Indonesia and comparable developing economies, where CSR regulation has expanded rapidly in recent years but where institutional conditions still limit the effectiveness of CSR in generating sustainability outcomes. (Setiawati et al., 2025) show that financial performance measurement practices among Indonesian firms, particularly smaller enterprises, remain underdeveloped relative to the reporting expectations now being introduced through sustainable finance regulation. This gap between regulatory ambition and firm-level capacity means that many Indonesian firms adopt CSR practices reactively, in response to compliance requirements, rather than proactively, as part of a coherent sustainability strategy.

This pattern is consistent with the prediction of positive accounting theory, which expects firms to adopt CSR when the costs of not doing so, in the form of regulatory penalties, reputational damage, or capital market exclusion, exceed the costs of compliance. The result is a form of CSR adoption that satisfies surface-level disclosure requirements without generating the legitimacy or financial performance gains that more substantive engagement would produce. Dalimunthe et al. (2025) offer a more encouraging picture from the Indonesian banking sector, where governance-aligned sustainability disclosure was found to positively affect profitability, suggesting that the enabling conditions for authentic CSR do exist within certain regulated sectors even in developing country contexts. The contrast between these two Indonesian studies points to the importance of sector-specific

institutional conditions in shaping CSR outcomes, a finding that has broader relevance for policy design in emerging economies.

The findings of this study stand in clear dialogue with the prior research cited throughout the paper. In terms of support, the study confirms the central conclusion of Gillan et al. (2021) that CSR and ESG practices generate measurable value for firms across multiple dimensions, including cost of capital, investor trust, and long-term performance stability. The finding that CSR functions as an organisational buffer during market stress directly reinforces Broadstock et al. (2021), whose COVID-19 evidence demonstrated that ESG-strong firms outperformed their peers during the crisis period. The study also supports Carroll's (2021) characterisation of CSR as a mature strategic instrument rather than a peripheral activity, confirming that this framing is consistent with the empirical patterns observed across the reviewed literature.

In terms of extension, this study advances prior research by demonstrating more explicitly that the CSR-sustainability relationship is mediated by both financial performance and legitimacy simultaneously and that these two pathways are mutually reinforcing rather than independent. Most prior studies examine either the financial or the legitimacy pathway in isolation; this study shows that firms benefiting from both mechanisms jointly tend to achieve more durable sustainability outcomes than those relying on either channel alone. The study also extends the analytical scope of prior research by incorporating positive accounting theory alongside legitimacy and stakeholder theory, revealing that managerial incentives and political cost considerations shape the nature of CSR adoption in ways that the other two frameworks do not capture on their own. This integration provides a more complete and realistic account of why CSR behaviour varies so considerably across firms and institutional settings.

In terms of contradiction, the findings challenge the implicit assumption in much of the CSR literature that a positive relationship between CSR and firm performance is the default outcome. The evidence reviewed here, drawing particularly on Duque-Grisales and Aguilera-Caracuel (2021) and the Indonesian cases examined by Dalimunthe et al. (2025) and Setiawati et al. (2025), confirms that institutional context is not a secondary moderating factor but a primary condition that determines whether CSR investment translates into sustainability outcomes at all. This finding contradicts studies that treat the CSR-performance relationship as universal and calls for greater contextual sensitivity in both CSR research and practice, particularly in settings where institutional frameworks are still developing and where the gap between disclosure and implementation remains wide.

CONCLUSION

This study set out to examine the role of Corporate Social Responsibility in supporting corporate sustainability through a systematic review of recent international literature, integrating legitimacy theory, stakeholder theory, and positive accounting theory as a combined analytical framework. The findings confirm that CSR contributes positively to corporate sustainability, though not through a single direct channel. Rather, the relationship operates through two parallel mediating pathways, financial performance and social legitimacy, both of which are shaped significantly by the quality of CSR implementation and the institutional environment in which firms operate. All three hypotheses proposed in this study receive support from the reviewed evidence, with the consistent qualification that the strength and durability of CSR effects depend on whether practices are substantively embedded in firm strategy or adopted primarily for compliance and impression management purposes.

The study also demonstrates that institutional context is a central determinant of CSR effectiveness rather than a peripheral moderating condition. In developing economies, including Indonesia, the gap between regulatory expectations and firm-level CSR capacity remains considerable, and many firms adopt sustainability practices reactively rather than strategically. This reactive pattern limits the financial and legitimacy gains that CSR can generate, and it represents a meaningful policy and managerial challenge for countries where sustainable finance regulation is advancing faster than organisational readiness. The integration of positive accounting theory into the analytical framework was particularly useful in explaining this pattern, as it reveals that managerial incentives and political cost considerations drive a form of CSR adoption that satisfies disclosure requirements without necessarily producing the sustainability outcomes that regulators and stakeholders expect.

Future research should address the limitations of this study by moving beyond systematic literature review toward empirical testing of the mediated relationships identified here, using longitudinal data drawn from firms in developing economies. Quantitative studies that capture the joint effects of financial performance and legitimacy as mediators, while accounting for institutional quality as a moderating variable, would substantially strengthen the evidence base for CSR theory in non-Western contexts. Researchers are also encouraged to examine how the rapid expansion of mandatory ESG reporting requirements across Southeast Asia, including Indonesia, affects the authenticity and effectiveness of CSR practices at the firm level, as this regulatory development represents both a research opportunity and a practical test of the theoretical arguments advanced in this study.

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